

VILLAGE OF WEBBERVILLE
INGHAM COUNTY, MICHIGAN

ANNUAL FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

MARCH 31, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name VILLAGE OF WEBBERVILLE	County INGHAM
Fiscal Year End MARCH 31, 2007	Opinion Date NOVEMBER 30, 2007	Date Audit Report Submitted to State <i>April 22, 2008</i>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☒ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Demis & Wenzlick, P.c.		Telephone Number (989) 723-8227	
Street Address 217 N Washington St.		City Owosso	State MI
Zip 48867		License Number 1101026880	
Authorizing CPA Signature <i>Geraldine Terry, CPA</i>		Printed Name Geraldine Terry, CPA	

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VILLAGE OF WEBBERVILLE
LIST OF COUNCIL MEMBERS
MARCH 31, 2007

CITY COUNCIL

John Leonard	Mayor
Tom Oliver	Mayor Pro-Tem
Rusty Ackerman	Council Person
Dan Norton	Council Person
Jonathan Greene	Council Person
Alice Schad	Council Person
Bob Ackerman	Council Person

ADMINISTRATIVE OFFICERS

Rachel Howd	Clerk/Treasurer
Jaymee Hord	Deputy Clerk/Deputy Treasurer



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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James Demis, Jr., C.P.A.
LaVearn G. Wenzlick, C.P.A.
Lori S. Chant, C.P.A.
Geraldine Terry, C.P.A.

Tracy Bublitz
Vickie Clayton
Carol Demis
Jeannette Gaitskill
Kathy Kimmerer
Erica Marks
Janis Mead
Tammy Pappas
David Pullen
Dean Roach
Vicki Schuler
Joyce Simmons
Barbara Wenzlick
Bruce Wenzlick

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Village Council
Village of Webberville
Webberville, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, major funds and the aggregate remaining fund information of the Village of Webberville as of and for the year ended March 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, major funds, and the aggregate remaining fund information of the Village of Webberville as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, of the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Village has not presented the Management Discussion and Analysis, that the Governmental Accounting Standards Board in its Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments has determined necessary to supplement, although not required to be part of the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2007 on our consideration of the Village of Webberville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Webberville's basic financial statements. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dennis and Wenglick, P.C.

Certified Public Accountants

Owosso, Michigan
November 30, 2007

VILLAGE OF WEBBERVILLE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
MARCH 31, 2007

	<u>Primary Government</u>			
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Component</u>
	<u>Activities</u>	<u>Activities</u>		<u>Unit</u>
ASSETS				
Cash & Cash Equivalents	\$ 653,203	\$ 716,112	\$1,369,315	\$ 282,712
Receivables	76,102	63,321	139,423	
Internal Balances	1,218		1,218	
Due from Other Gov't Units				360,831
Other Assets		75,526	75,526	
Capital Assets (Net)	<u>731,942</u>	<u>4,106,749</u>	<u>4,838,691</u>	<u>757,926</u>
TOTAL ASSETS	<u>\$1,462,465</u>	<u>\$4,961,708</u>	<u>\$6,424,173</u>	<u>\$1,401,469</u>
LIABILITIES				
Accounts Payable	\$ 92,278	\$ 18,857	\$ 111,075	\$ 79,003
Accrued & Other Liabilities	7,470	50,890	58,360	13,737
Noncurrent Liabilities:				
Due within one year	45,550	160,000	205,550	59,721
Due in more than one year	<u>145,000</u>	<u>1,745,000</u>	<u>1,890,000</u>	<u>365,402</u>
TOTAL LIABILITIES	<u>\$ 290,298</u>	<u>\$1,974,747</u>	<u>\$2,264,985</u>	<u>\$ 517,863</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 541,392	\$2,201,749	\$2,743,141	\$ 332,803
Reserved for Restricted Assets		338,576	338,576	
Unreserved:				
Unreserved	<u>630,775</u>	<u>446,636</u>	<u>1,077,411</u>	<u>550,803</u>
TOTAL NET ASSETS	<u>\$1,172,167</u>	<u>\$2,986,961</u>	<u>\$4,159,128</u>	<u>\$ 883,606</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007

	<u>Program Revenues</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>			
	<u>Charges</u>	<u>Gov't</u>	<u>Business</u>	<u>Totals</u>	<u>Component</u>
<u>Expenses</u>	<u>For Services</u>	<u>Activities</u>	<u>Type</u>		<u>Unit</u>
			<u>Activities</u>		
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government \$ 264,769	\$ 47,728	\$ (217,041)	\$	\$ (217,041)	\$(367,162)
Public Safety 317,878		(317,878)		(317,878)	
Public Works 243,288		(243,288)		(243,288)	
Recreation & Culture 1,384		(1,384)		(1,384)	
Interest on LT Debt 12,844		(12,844)		(12,844)	
TOTAL GOVT					
ACTIVITIES \$ 840,163	\$ 47,728	\$ (792,435)	\$	\$ (792,435)	\$(367,162)
Business-Type Activities:					
Sewer \$ 229,142	\$230,742	\$	\$ 1,600	\$ 1,600	\$
Water 236,440	183,572		(52,868)	(52,868)	
TOTAL BUSINESS-					
TYPE ACTIVITIES \$ 465,582	\$414,314	\$ (792,435)	\$ (51,268)	\$ (51,268)	\$
TOTAL PRIMARY					
GOV'T. \$1,305,745	\$462,042	\$ (792,435)	\$ (51,268)	\$ (843,703)	\$(367,162)
General Revenues:					
Property Taxes		\$ 646,924	\$	\$ 646,924	\$ 225,155
Special Assessments		7,974		7,974	
State Shared Revenue		237,493		237,493	
Unrestricted Investment Earnings		34,170	12,821	46,991	18,354
Licenses & Permits		15,568		15,568	
Miscellaneous Other Revenue		31,482		31,482	
Transfers – Net		(99,793)	57,566	(42,227)	42,227
TOTAL GENERAL REVENUES					
& TRANSFERS		\$ 873,818	\$ 70,387	\$ 944,205	\$ 285,736
Change in Net Assets		\$ 81,383	\$ 19,119	\$ 100,502	\$ (81,426)
Net Assets – Beginning		1,090,784	2,967,842	4,058,626	802,180
NET ASSETS – ENDING		\$1,172,167	\$2,986,961	\$4,159,128	\$ 883,606

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007

	<u>General</u>	<u>Municipal Street</u>	<u>Non-Major Gov't Funds</u>	<u>Total Gov't Funds</u>
ASSETS				
Cash & Cash Equiv.	\$129,208	\$52,636	\$467,170	\$649,014
Receivables	32,431	5,730	37,941	76,102
Due from Other Funds	<u>1,218</u>	<u>705</u>	<u>1,919</u>	<u>3,842</u>
TOTAL ASSETS	<u>\$162,857</u>	<u>\$59,071</u>	<u>\$507,030</u>	<u>\$728,958</u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 91,604	\$	\$ 614	\$ 92,218
Due to Other Funds	136		2,488	2,624
Due to Taxpayers			297	297
Payroll Taxes Payable	2,823			2,823
Accrued Interest Payable	4,350			4,350
Current Portion-Bonds Payable	<u>25,000</u>	<u> </u>	<u> </u>	<u>25,000</u>
TOTAL LIABILITIES	<u>\$123,913</u>	<u>\$ </u>	<u>\$ 3,399</u>	<u>\$127,312</u>
 FUND BALANCE				
Unreserved				
Other Undesignated	<u>\$ 38,944</u>	<u>\$59,071</u>	<u>\$503,631</u>	<u>\$601,646</u>
TOTAL FUND BALANCE	<u>\$ 38,944</u>	<u>\$59,071</u>	<u>\$503,631</u>	<u>\$601,646</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$162,857</u>	<u>\$59,071</u>	<u>\$507,030</u>	<u>\$728,958</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
MARCH 31, 2007

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 601,646

Total Net Assets Reported for Governmental Activities in the Statement
of Net Assets is different because:

Deferred Special Assessments

Capital Assets used in Governmental Activities are not Financial Resources
and are not reported in the funds

The Cost of Capital Assets	\$1,163,645	
Accumulated Depreciation	<u>(499,556)</u>	
Capital Assets, Net	\$ 664,089	664,089

Long-Term liabilities are not due and payable in
the current period. Therefore are not reported on
in the Governmental Funds Balance Sheet

Long-term liabilities at year end consist of Building Authority Bonds	(145,000)
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An internal service fund is used by management to charge the costs of
certain equipment usage to individual funds. A portion of the assets
and liabilities of the internal service fund are included in internal
service fund are included in governmental activities in the statement
of net assets.

51,432

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$1,172,167</u>
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See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2007

	<u>General</u>	<u>Municipal Street</u>	<u>Non-Major Gov't Funds</u>	<u>Total Gov't Funds</u>
REVENUES				
Taxes	\$ 474,474	\$ 125,743	\$ 54,681	\$ 654,898
Licenses & Permits	15,568			15,568
State Shared Revenues/ Highway Funds	144,821		88,191	233,012
Metro Act			4,481	4,481
Charges for Services	47,728			47,728
Fines & Forfeitures	1,993			1,993
Interest & Rentals	10,672	4,302	20,040	35,014
Other Revenue	<u>2,718</u>			<u>2,718</u>
TOTAL REVENUES	\$ <u>697,974</u>	\$ <u>130,045</u>	\$ <u>167,393</u>	\$ <u>995,412</u>
EXPENDITURES				
Current				
Legislative	\$ 12,614	\$	\$	\$ 12,614
General Gov't.	180,214			180,214
Public Safety	317,878			317,878
Public Works	97,809		193,402	291,211
Recreation & Culture	1,384			1,384
Capital Outlay			24,148	24,148
Debt Service	35,576			35,576
Ingham Co. Drain		<u>14,793</u>		<u>14,793</u>
TOTAL EXPEND.	\$ <u>645,475</u>	\$ <u>14,793</u>	\$ <u>217,550</u>	\$ <u>877,818</u>
EXCESS OF REVENUES OVER EXPEND.	\$ <u>52,499</u>	\$ <u>115,252</u>	\$ <u>(50,157)</u>	\$ <u>117,594</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 30,000	\$	\$ 94,782	\$ 124,782
Transfers Out	(131,130)	(72,100)	(11,200)	(214,430)
Transfers Out-Component		<u>(29,863)</u>		<u>(29,863)</u>
TOTAL FINANCING SOURCES & USES	\$ <u>(101,130)</u>	\$ <u>(101,963)</u>	\$ <u>83,582</u>	\$ <u>(119,511)</u>
Net Change in Fund Bal.	\$ (48,631)	\$ 13,289	\$ 33,425	\$ (1,917)
Fund Balance-Beginning	<u>87,575</u>	<u>45,782</u>	<u>470,206</u>	<u>603,563</u>
FUND BALANCE – ENDING	\$ <u>38,944</u>	\$ <u>59,071</u>	\$ <u>503,631</u>	\$ <u>601,646</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007

Net Change in Fund Balances – Total Governmental Funds	\$ (1,917)
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Total Change in Net Assets Reported for Governmental Activities
in the Statement of Activities is different because:

Governmental Funds report capital outlays as expenditures.
However, in the statement of activities the cost of those assets
are allocated over their estimated useful lives and reported as
depreciation expense.

Depreciation Expense	\$(43,506)	
Capital Outlay	<u>86,191</u>	42,685

Repayments of Long-Term Debt	25,000
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An internal service fund is used by management to charge the costs of
certain equipment usage to individual governmental funds. A portion
of the net revenue (expense) is reported with governmental activities.

	<u>15,615</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>81,383</u>
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See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2007

	Business-Type Activities Enterprise Funds			Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Motor Pool</u>
ASSETS				
Current Assets:				
Cash & Cash Equiv.	\$ 186,530	\$ 191,006	\$ 377,536	\$ 4,189
Receivables	<u>34,630</u>	<u>28,691</u>	<u>63,321</u>	<u> </u>
TOTAL CURRENT ASSETS	\$ <u>221,160</u>	\$ <u>219,697</u>	\$ <u>440,857</u>	\$ <u>4,189</u>
Capital Assets	\$2,994,865	\$3,011,151	\$6,006,016	\$221,501
Less: Accum. Deprec.	<u>(1,011,604)</u>	<u>(887,663)</u>	<u>(1,899,267)</u>	<u>(153,648)</u>
NET PROPERTY, PLANT & EQUIPMENT	<u>\$1,983,261</u>	<u>\$2,123,488</u>	<u>\$4,106,749</u>	<u>\$ 67,853</u>
Restricted Assets				
Cash & Cash Equiv.	<u>182,165</u>	<u>156,411</u>	<u>338,576</u>	<u> </u>
Restricted Assets				
Unamortized Bond Disc. & Financing Costs	<u>40,784</u>	<u>34,742</u>	<u>75,526</u>	<u> </u>
TOTAL ASSETS	<u>\$2,427,370</u>	<u>\$2,534,338</u>	<u>\$4,961,708</u>	<u>\$ 72,042</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 2,675	\$ 16,182	\$ 18,857	\$ 60
Current Portion of Non- Current Liabilities	86,400	73,600	160,000	20,550
Accrued Interest Payable	<u>27,481</u>	<u>23,409</u>	<u>50,890</u>	<u> </u>
TOTAL CURRENT LIAB.	\$ <u>116,556</u>	\$ <u>113,191</u>	\$ <u>229,747</u>	\$ <u>20,610</u>
Non-Current Liabilities				
Bonds, Notes & Loans Payable	<u>\$ 942,300</u>	<u>\$ 802,700</u>	<u>\$1,745,000</u>	<u> </u>
TOTAL LIABILITIES	<u>\$1,058,856</u>	<u>\$ 915,891</u>	<u>\$1,974,747</u>	<u>\$ </u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 954,561	\$1,247,188	\$2,201,749	\$ 47,304
Reserved for Restricted Assets	182,165	156,411	338,576	
Other Unrestricted	<u>231,788</u>	<u>214,848</u>	<u>446,636</u>	<u>4,128</u>
TOTAL NET ASSETS	<u>\$1,368,514</u>	<u>\$1,618,447</u>	<u>\$2,986,961</u>	<u>\$ 51,432</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2007

	Business-Type Activities <u>Enterprise Funds</u>			Internal <u>Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Motor Pool</u>
OPERATING REVENUES:				
Charges for Services	\$ 196,252	\$ 174,241	\$ 370,493	\$ 25,631
Connection & Tap Charges	13,650	6,075	19,725	
Penalties	3,124	2,420	5,544	
Other Income	<u>17,716</u>	<u>836</u>	<u>18,552</u>	
TOTAL OPERATING REV.	\$ <u>230,742</u>	\$ <u>183,572</u>	\$ <u>414,314</u>	\$ <u>25,631</u>
OPERATING EXPENSE:				
Salaries & Benefits	\$ 42,563	\$ 41,636	\$ 84,199	\$
Outside Labor	14,938	6,087	21,025	
Supplies/Rentals	7,180	11,918	19,098	14,144
Other Services & Charges	32,678	24,957	57,635	
Repairs & Maintenance	5,474	32,850	38,324	4,314
Depreciation/Amortization	<u>57,037</u>	<u>59,982</u>	<u>117,019</u>	<u>9,304</u>
	\$ <u>159,870</u>	\$ <u>177,430</u>	\$ <u>337,300</u>	\$ <u>27,762</u>
OPERATING INCOME (LOSS)	\$ <u>70,872</u>	\$ <u>6,142</u>	\$ <u>77,014</u>	\$ <u>(2,131)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest & Investment Rev.	\$ 7,385	\$ 5,436	\$ 12,821	\$ 296
Interest & Investment Exp.	<u>(69,272)</u>	<u>(59,010)</u>	<u>(128,282)</u>	<u>(2,268)</u>
TOTAL NON-OPERATING REV. (EXPENSES)	\$ <u>(61,887)</u>	\$ <u>(53,574)</u>	\$ <u>(115,461)</u>	\$ <u>(1,972)</u>
INCOME (LOSS) BEFORE TRANSFERS	\$ 8,895	\$ (47,432)	\$ (38,447)	\$ (4,103)
Transfers In-Other Funds	\$	\$	\$	\$ 20,000
Transfers In-Component	35,613	60,337	95,950	
Transfers Out-Component		(27,184)	(27,184)	
Transfers Out-Other Funds	<u>(5,600)</u>	<u>(5,600)</u>	<u>(11,200)</u>	<u>(282)</u>
	\$ 30,013	\$ 27,553	\$ 57,566	\$ 19,718
Change in Net Assets	\$ 38,998	\$ (19,879)	\$ 19,119	\$ 15,615
Net Assets – Beginning of Year	<u>1,329,516</u>	<u>1,638,326</u>	<u>2,967,842</u>	<u>35,817</u>
NET ASSETS – END OF YEAR	\$ <u>1,368,514</u>	\$ <u>1,618,447</u>	\$ <u>2,986,961</u>	\$ <u>51,432</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2007

	Business-Type Activities <u>Enterprise Funds</u>			Internal <u>Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Motor Pool</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipt from Customer	\$ 220,956	\$ 182,804	\$403,760	\$ 25,630
Payments to Suppliers	(66,793)	(53,928)	(120,721)	(18,413)
Payments to Employees	(41,813)	(40,966)	(82,779)	
Other Receipts (Payments)	<u>17,716</u>	<u>836</u>	<u>18,552</u>	<u> </u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>130,066</u>	\$ <u>88,746</u>	\$ <u>218,812</u>	\$ <u>7,217</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:				
Retirement of Debt	\$ (90,158)	\$ (64,842)	\$(155,000)	\$
Interest & Fiscal Chgs. Paid	<u>(70,511)</u>	<u>(207)</u>	<u>(70,718)</u>	<u>(3,325)</u>
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	\$(160,669)	\$ (65,049)	\$(225,718)	\$ (3,325)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Revenue	<u>7,385</u>	<u>5,436</u>	<u>12,821</u>	<u>296</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIV.	\$ (23,218)	\$ 29,135	\$ 5,915	\$ 4,188
CASH & CASH EQUIVALENTS BEGINNING OF YEAR – RESTATED				
	<u>391,913</u>	<u>318,284</u>	<u>710,197</u>	<u> </u>
CASH & CASH EQUIVALENTS END OF YEAR	\$ <u>368,695</u>	\$ <u>347,417</u>	\$ <u>716,112</u>	\$ <u>4,188</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2007

	Business-Type Activities <u>Enterprise Funds</u>			Internal <u>Service Funds</u> Motor <u>Pool</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 70,872	\$ 6,142	\$ 77,014	\$ (2,132)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	53,438	56,917	110,355	9,304
Amortization	3,599	3,065	6,664	
Change in Assets & Liabilities:				
Receivables/Prepays	8,611	3,593	12,204	
Accounts Payable	1,238	15,404	16,642	45
Accrued Interest Payable	<u>(7,692)</u>	<u>3,625</u>	<u>(4,067)</u>	<u> </u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$130,066</u>	<u>\$88,746</u>	<u>\$218,812</u>	<u>\$ 7,217</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
MARCH 31, 2007

Agency Funds

ASSETS:

Cash	\$ 9,328
TOTAL ASSETS	\$ <u>9,328</u>

LIABILITIES:

Retirement Payable	\$ 2,630
Due to Other Funds	2,582
Due to Other Governmental Units	<u>4,116</u>
TOTAL LIABILITIES	\$ <u>9,328</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Webberville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies used by the Village.

COMPONENT UNITS

The accompanying financial statements present the Village's primary government and component units over which the Village exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Village to finance any deficits that may occur or receipt of significant subsidies from the Village. Component units that do not meet the criteria for blending are reported discretely.

Component units that are reported in the Village's Government-Wide Financial statements are shown in the following table:

<u>Blended Component Units Reported with the Primary Government</u>	<u>Brief Description and Relationship to the Village</u>	<u>Reporting Funds</u>
Webberville Bldg. Auth. (WBA)	Charged with responsibility of building and financing repairs and major improvements to the Village Hall and Library. Village Council members Serve as Trustees.	Webberville Bldg. Authority Fund (Capital Projects Fund)
Cultural Center Bldg.	Used to set aside monies for repairs and maintenance and improvements to the Webberville Cultural Center. Village Council members serve as Trustees.	Cultural Center Bldg. Expense Fund (Capital Projects Fund)
<u>Discretely Reported Component Units</u>	<u>Brief Description of Activities Relationship to the Village</u>	
Downtown Develop. Auth.	Used for the administration of the Authority and planning of improvements in the downtown District. Financing for DDA Operations was Provided by the General Fund. Village Council members serve as trustees.	

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, normally supported by taxes and inter-governmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants who purchase, use or directly benefit from goods, or privilege provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenue are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter excluded from the governmental-wide financial statements. Major individual governmental funds and the major enterprise funds are reported in separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net asset are available, restricted resources are applied first.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

**VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)**

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Municipal Street Fund – The Municipal Street Fund is used to account for taxes segregated for street oriented operations.

The government reports the following major proprietary funds:

Water and Sewer Fund – To account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, (utility director), operations, maintenance, financing and related debt service, and billing and collection.

In addition, the government reports the following non-major governmental funds:

Major Street Fund – Major Street Fund is used to receive all Major Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Major Street.

Local Street Fund – Local Street Fund is used to receive all Local Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Local Street.

Drain Fund – Drain Fund is used to account for taxes segregated for drain expenditures.

New Equipment Fund – New Equipment Fund is used to segregate monies set aside from various fund contributions to finance the purchase of equipment which may be used by several funds.

Sidewalk Fund – The Sidewalk Fund is used to segregate monies set aside to finance the Village's portion of sidewalk construction.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)

Additionally, the government reports the following fund types:

Internal Service Funds – The Internal Service Fund accounts for the financing of goods or services by one department or agency to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis.

Agency Funds – The Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include (1) charges to customers or applicant for goods, services, or privileges provided (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the proprietary funds, related to charges to customers for water sales and services and sewage disposal charges. The Water and Sewer Fund also recognizes tap fees intended to recover current costs (e.g. labor and materials to hook up new customers) as operating revenue. Connection fees intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of water, sewage disposal, operations and maintenance, general and administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reporting as non-operating revenue and expenses.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Investments – The Village has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of 3 months or less when acquired.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other fund" activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Prepaid items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets – Certain revenue bonds of the Enterprise Funds require amounts to be set aside for bond reserve. These amounts have been classified as restricted investments.

Capital Assets – Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Village began recording governmental infrastructure constructed on or after July 1, 2003 as followed by GASB 34.

Property, Plant and Equipment is depreciated using the straight line method over the following useful lives.

Land Improvements	10 to 20 years
Building and Building Improvements	25 to 40 years
Utility Systems	25 to 40 years
Roads	25 years
Other Infrastructure	20 to 40 years
Vehicles	5 to 10 years
Machinery and Equipment	5 to 10 years

Long-term obligation – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

COMPARATIVE DATA

Comparative data is not included in the Village's financial statements.

BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Village Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Village to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of an ordinance.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise and Internal Service Funds and the discretely presented component unit.
6. Budgets for the general, special revenue, capital projects funds and the discretely presented component unit are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The DDA budget is based upon a fiscal year which matches the Village's fiscal year.

VILLAGE OF SERVICE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Property taxes attach an enforceable lien on property by the county. Taxes are levied on June 30, and payable on October 20. The Village bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables. The Village is permitted by the Municipal Finance Law of the State to levy taxes up to 15 mills total. The Village Council has allocated 9.6453 mills for governmental services, 0.9628 mills for drain improvement, and 2.5919 mills for the Municipal Street Fund.

NOTE B – CHANGES IN GENERAL FIXED ASSETS

A summary of proprietary fund type property, plant and equipment at March 31, 2007, is as follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Utility Plant	\$6,006,016	\$
DPW Equipment		<u>221,501</u>
	<u>\$6,006,016</u>	\$ 221,501
Less: Accumulated Depreciation	<u>1,899,267</u>	<u>(153,648)</u>
NET	<u>\$4,106,749</u>	\$ <u>67,853</u>

Depreciation expense for the year ended March 31, 2007 is \$117,019.

Property, Plant and Equipment are recorded in the Village's records at cost. Depreciation is computed by the straight-line method using lives of 25 to 75 years.

NOTE C – WATER AND SEWER NOTES

Discounts on bonds issued and financing costs are being amortized over the period bonds are outstanding on a straight-line basis.

Village Ordinance requires certain fund requirements for the Water System. Due to the length of these requirements, they are not all listed in these financial statements; however, at March 31, all fund requirements have been fulfilled.

**VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007**

NOTE C – WATER AND SEWER NOTES (CONTINUED)

WASTE AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

In 1994, the Village issued water and wastewater revenue and refunding bonds in the amount of \$3,310,000, less \$28,449 original issue discount and \$66,200 underwriters discount were issued. Proceeds were used to retire various outstanding water and sewer bonds and provide funds as required under various grants for development of the Village's Industrial Park.

The 1994 bonds consist of serial bonds which are payable on November 1, from 1994 through 2005 and terms bonds of which \$1,145,000 matures on November 1, 2001 and \$1,060,000 matures on November 1, 2018. Interest is payable, at rates from 3.5% to 6.5%, on May 1, and November 1, each year. A separate schedule details the annual obligations. One sixth of monthly water and sewer receipts is transferred to the 1994 Bond and Interest Redemption Fund to pay these obligations. The balance on these bonds is \$1,905,000 at March 31, 2007.

NOTE D – DEPOSITS

Michigan Compiled Laws, Section 129.91 authorizes the Village to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency of instrumentality of the United States. United States government or federal agency obligations; repurchase agreements, bankers acceptance of United States Banks, commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase, obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Village of Webberville's deposits and investment policy are in accordance with statutory authority.

At year end the carrying amount of the Village's deposits with financial institutions including \$27 of petty cash was \$1,376,479 and the bank balance was \$1,490,942. Of the bank balance \$200,000 was covered by federal depository insurance and \$1,176,479 was insured and uncollateralized.

The DDA's deposits at March 31, 2007 was \$282,712 of which \$100,000 was insured.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE E – WATER AND SEWER NOTES

Discounts on bonds issued and financing costs are being amortized over the period bonds are outstanding on a straight-line basis.

Village Ordinance requires certain fund requirements for the Water System. Due to the length of these requirements, they are not all listed in these financial statements; however, at March 31, all fund requirements have been fulfilled.

WASTE AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

In 1994, the Village issued water and wastewater revenue and refunding bonds in the amount of \$3,310,000, less \$28,449 original issue discount and \$66,200 underwriters discount were issued. Proceeds were used to retire various outstanding water and sewer bonds and provide funds as required under various grants for development of the Village's Industrial Park.

The 1994 bonds consist of serial bonds which are payable on November 1, from 1994 through 2005 and term bonds of which \$1,145,000 matures on November 1, 2001 and \$1,060,000 matures on November 1, 2018. Interest is payable, at rates from 3.5% to 6.5%, on May 1, and November 1, each year. A separate schedule details the annual obligations. One sixth of monthly water and sewer receipts is transferred to the 1994 Bond and Interest Redemption Fund to pay these obligations. The balance on these bonds is \$2,060,000 at March 31, 2007.

NOTE F – CHANGES IN LONG-TERM LIABILITIES

During the fiscal year ended March 31, 2004, the Village of Webberville Downtown Development Authority issued the Downtown Development Bonds, Series 2003 in the amount of \$1,075,000. The bonds were issued for the purpose of paying the balance of the Hawley and Mason properties and other capital improvements projects.

The bond is a draw bond with principal to be drawn not later than December 30, 2005. The aggregate amount of draws shall not exceed \$1,075,000. Interest is payable on May 1, 2004 and on each November 1, and May 1, thereafter. Principal repayments in the amount of \$59,722 shall commence May 1, 2006. The interest rate is determined by subsequent determination of the principal stated by bond holder. The rate for the taxable interest is based on the Wall Street Journal Prime rate plus ½ percentage point and the interest rate for non-taxable interest is 4.09%.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE E – CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 59,722.00	\$ 24,647.67	\$ 84,369.67
2008	59,722.00	23,240.50	82,962.50
2009	59,722.00	21,704.30	81,426.30
2010	59,722.00	20,232.63	79,954.63
2011	59,722.00	18,760.95	78,482.95
Thereafter	<u>126,514.00</u>	<u>110,436.86</u>	<u>236,950.86</u>
	<u>\$425,124.00</u>	<u>\$219,022.91</u>	<u>\$644,146.91</u>

During the year the Village purchased through the Internal Service Motor Pool Fund a 2006 Chevrolet Dump Truck. The purchase price was \$80,003.00. The Village paid \$40,000 down with remaining \$20,553 due by November, 2007.

	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
11-08-07	<u>\$20,553</u>	<u>\$1,635</u>	<u>\$22,188</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

WATER AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

<u>Year Ended March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 160,000	\$122,135	\$ 282,135
2009	165,000	112,055	277,055
2010	170,000	101,660	271,660
2011	170,000	90,950	260,950
2012	180,000	80,240	260,240
2013	180,000	68,900	248,900
2014	195,000	57,200	252,200
2015	125,000	44,525	169,525
2016	130,000	36,400	166,400
2017	135,000	27,950	162,950
2018	145,000	19,175	164,175
2019	<u>150,000</u>	<u>9,750</u>	<u>159,750</u>
	<u>\$1,905,000</u>	<u>\$770,940</u>	<u>\$2,675,940</u>

BUILDING AUTHORITY BONDS

The Webberville Building Authority issued \$350,000 of bonds in 1991, for the construction of a village library and hall. These bonds bear interest ranging from 6.4% to 7.25% per annum. Bonds maturing after May 1, 2002 are subject to redemption prior to maturity at the option of the authority with premium. The bonds are secured by the full faith and credit of the Village. The bonds are further detailed in a separate schedule. The balance of these bonds is \$145,000 at March 31, 2007.

Annual debt service to maturity, including interest at \$33,350, is as follows:

<u>Year Ended March 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2007	\$10,512	\$ 25,000	\$ 35,512
2009	8,700	25,000	33,700
2010	6,888	30,000	36,888
2011	4,712	30,000	34,712
2012	<u>2,538</u>	<u>35,000</u>	<u>37,538</u>
	<u>\$33,350</u>	<u>\$145,000</u>	<u>\$178,350</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE F – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (a) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the funds have been shown on a line item basis. The approved budgets of the Village for these funds were adopted to the line item level.

<u>Primary Gov't Funds</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Legal & Professional	\$ 28,000	\$ 30,077	\$ 2,077
Insurance	22,000	25,286	3,286
Maintenance Supplies	11,000	12,000	1,000
Public Safety	303,280	317,878	14,598
Public Works	92,292	97,809	5,517

NOTE G – RECEIVABLES

Receivables as of year end for the government's individual major and non-major funds, and the internal service and fiduciary funds in the aggregate are as follows:

	<u>General</u>	<u>Sewer</u>	<u>Water</u>	<u>Internal Service & Other Gov't</u>	<u>Total</u>
Accts. Rec.-Billings	\$10,420	\$34,630	\$28,691	\$	\$ 73,741
Special Assessments				24,681	24,681
Personal Delinquents	<u>22,011</u>			<u>7,897</u>	<u>29,908</u>
GROSS RECEIVABLES	<u>\$32,431</u>	<u>\$34,630</u>	<u>\$28,691</u>	<u>\$32,578</u>	<u>\$128,330</u>
Due within one year	\$32,431	\$34,630	\$28,691	\$14,067	\$109,819
Due after one year				<u>18,511</u>	<u>18,511</u>
	<u>\$32,431</u>	<u>\$34,630</u>	<u>\$28,691</u>	<u>\$32,578</u>	<u>\$128,330</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE H – CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	Balance <u>3-31-06</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>3-31-07</u>
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ 70,208	\$	\$	\$ 70,208
Capital Assets being Depreciated:				
Buildings	593,188			593,188
Office Equipment	30,172	24,148		54,320
Infrastructure	181,069	62,043		243,112
Motor Pool Equipment	221,501			221,501
General-DPW Equipment	173,732			173,732
Sidewalk Project	<u>29,085</u>	<u> </u>	<u> </u>	<u>29,085</u>
CAPITAL ASSETS BEING DEPRECIATED	<u>\$1,228,747</u>	<u>\$86,191</u>	<u>\$ </u>	<u>\$1,314,938</u>
LESS ACCUMULATED DEPRECIATION FOR:				
Buildings	\$ 256,841	\$18,614	\$	\$ 275,455
Office Equipment	27,164	3,557		30,721
Infrastructure	16,601	10,346		26,947
Motor Pool Equipment	144,343	9,305		153,648
General-DPW Equipment	153,653	10,020		163,673
Sidewalk Project	<u>1,790</u>	<u>970</u>	<u> </u>	<u>2,760</u>
ACCUMULATED DEPREC.	\$ 600,392	\$52,812	\$	\$ 653,204
Net Capital Assets being Depreciated	<u>628,355</u>	<u>33,379</u>	<u> </u>	<u>661,734</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 698,563</u>	<u>\$33,379</u>	<u>\$ </u>	<u>\$ 731,942</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE H – CAPITAL ASSETS (CONTINUED)

	Balance <u>3-31-06</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>3-31-07</u>
BUSINESS-TYPE ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ <u>71,629</u>	\$ _____	\$ _____	\$ <u>71,629</u>
CAPITAL ASSETS BEING DEPRECIATED:				
Mains, Wells, Collection & Treatment				
Facilities	\$5,875,231	\$ _____	\$ _____	\$5,875,231
Machinery & Equipment	<u>59,156</u>	_____	_____	<u>59,156</u>
CAPITAL ASSETS BEING				
DEPRECIATED	<u>\$5,934,387</u>	\$ _____	\$ _____	<u>\$5,934,387</u>
LESS ACCUMULATED DEPRECIATION FOR:				
Mains, Wells, Collection & Treatment				
Facilities	\$1,765,413	\$106,783	\$ _____	\$1,872,196
Machinery & Equipment	<u>23,499</u>	<u>3,572</u>	_____	<u>27,071</u>
ACCUMULATED DEPREC.	<u>\$1,788,912</u>	<u>\$110,355</u>	\$ _____	<u>\$1,899,267</u>
Net Capital Assets being				
Depreciated	<u>4,145,475</u>	(110,355)	_____	<u>4,035,120</u>
BUSINESS TYPE CAPITAL				
ASSETS, NET	<u>\$4,217,104</u>	\$(110,355)	\$ _____	<u>\$4,106,749</u>
Government Activities:				
General Government		\$ 33,161		
Internal Service		9,305		
Infrastructure		<u>10,346</u>		
TOTAL GOVERNMENT ACTIVITIES		\$ <u>52,812</u>		
Business-Type Activities:				
Water		\$ 56,917		
Sewer		<u>53,438</u>		
TOTAL BUSINESS-TYPE ACTIVITIES		<u>\$110,355</u>		

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE I – INTER-FUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Fund</u>	<u>Due to Other Funds</u>	
General	\$26,758	General	\$ 136	Overpymt
Municipal Street	705	Major Street	1,919	Overpymt
Local Street	1,919	Drain	569	Overpymt
		Tax	1,092	Interest
		Payroll	126	Interest
			25,540	Delq Refuse
	<u>\$29,382</u>		<u>\$29,382</u>	

NOTE J – INTERFUND OPERATING TRANSFERS

	<u>Transfer From Other Funds</u>	<u>Transfer from Component Units</u>	<u>Transfer from Primary Government</u>
General	\$	\$ 30,000	\$111,130
Local Street	36,050		
Drains		11,093	
Water	75,000	30,000	
Bond Int. & Redemption	306,917	65,950	
DDA			11,093
Sidewalk	30,900		27,184
Major	5,150		
Motor Vehicle Pool	20,000		
New Equipment	22,682		
Municipal Street			29,863
	<u>\$496,699</u>	<u>\$137,043</u>	<u>\$179,270</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE J – INTERFUND OPERATING TRANSFERS (CONTINUED)

	<u>Transfers to Other Funds</u>	<u>Transfer to Primary Government</u>	<u>Transfer to Component</u>
Municipal Street	\$ 72,100	\$	\$ 29,863
General	20,000	30,000	111,130
DDA		11,093	
Major Street	5,600		
Motor Vehicle Pool	282		
Local Street	5,600		
Water	182,953	30,000	
Bond Int. Redemp.		65,950	
Drain			11,093
Sewer	189,541		
Industrial Park			27,184
Bond Reserve	<u>20,623</u>		
	<u>\$496,699</u>	<u>\$137,043</u>	<u>\$179,270</u>

NOTE K – RETIREMENT

As of April 1, 1995, the Village is a member of the Municipal Employees Retirement System (MERS). Full-time employees contribute, on a pre-tax basis, 5.5% of their gross wage. The actuary has determined the Village's contributions to be \$19,388 for the year ended March 31, 2007 at a rate of 14.42%. Each year the quarterly contribution is recalculated based on the actual wage paid to employees during the prior fiscal year. During the year, \$9,018 was paid to MERS. The pension covered \$134,456 of the Village's payroll. At March 31, 2007 \$2,630 was still due MERS for March, 2007.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WEBBERVILLE
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>			Actual (Over) Under <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Taxes & Penalties	\$ 505,952	\$ 501,009	\$ 474,474	\$ 26,535
Licenses & Permits	19,596	2,752	15,568	(12,816)
State Grants/Shared Revenues	138,491	144,821	144,821	
Charges for Services	35,026	40,910	47,728	(6,818)
Fines & Forfeitures	1,786	1,713	1,993	(280)
Interest & Rentals	1,251	2,087	10,672	(8,585)
Other Revenue	<u>31,947</u>	<u>12,741</u>	<u>2,718</u>	<u>10,023</u>
TOTAL REVENUES	\$ <u>734,049</u>	\$ <u>706,033</u>	\$ <u>697,974</u>	\$ <u>8,059</u>
EXPENDITURES:				
Current:				
Legislative	\$ 10,118	\$ 12,400	\$ 12,614	\$ (214)
General Government	137,496	235,291	180,214	55,077
Public Safety	326,187	303,280	317,878	(14,598)
Public Works	85,054	92,292	97,809	(5,517)
Recreation & Culture	5,284	1,400	1,384	16
Debt Service	<u>34,468</u>	<u>36,255</u>	<u>35,576</u>	<u>679</u>
TOTAL EXPENDITURES	\$ <u>598,607</u>	\$ <u>680,918</u>	\$ <u>645,475</u>	\$ <u>35,443</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>135,442</u>	\$ <u>25,115</u>	\$ <u>52,499</u>	\$ <u>(27,384)</u>
OTHER FINANCING SOURCES (USES):				
Transfers	\$ 18,025	\$ 30,000	\$ 30,000	\$
Transfers Out	<u>(145,488)</u>	<u>(117,600)</u>	<u>(131,130)</u>	<u>(13,530)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$(127,463)	\$(87,600)	\$(101,130)	\$(13,530)
Net Change in Fund Balance	\$ 7,979	\$ (62,485)	\$ (48,631)	\$(13,854)
Fund Balance – Beginning	<u>87,575</u>	<u>87,575</u>	<u>87,575</u>	<u>—</u>
FUND BALANCE – ENDING	\$ <u>95,554</u>	\$ <u>25,090</u>	\$ <u>38,944</u>	\$ <u>(13,854)</u>

VILLAGE OF WEBBERVILLE
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL STREET FUND
YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u> <u>(Over) Under</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 137,140	\$ 132,778	\$ 125,743	\$ 7,035
Interest	<u>21</u>	<u>289</u>	<u>4,302</u>	<u>(4,013)</u>
TOTAL REVENUES	\$ <u>137,161</u>	\$ <u>133,067</u>	\$ <u>130,045</u>	\$ <u>3,022</u>
EXPENDITURES:				
Ingham Co. Drain	\$ <u>20,000</u>	\$ <u>15,000</u>	\$ <u>14,793</u>	\$ <u>207</u>
TOTAL EXPENDITURES	\$ <u>20,000</u>	\$ <u>15,000</u>	\$ <u>14,793</u>	\$ <u>207</u>
EXCESS (DEFIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>117,161</u>	\$ <u>118,067</u>	\$ <u>115,252</u>	\$ <u>2,815</u>
OTHER FINANCING (USES):				
Transfers Out – Other Funds	\$ (60,000)	\$ (72,100)	\$ (72,100)	\$
Transfers Out-Component Unit	<u>(43,000)</u>	<u>(30,000)</u>	<u>(29,863)</u>	<u>137</u>
TOTAL OTHER FINANCING (USES)	\$(103,000)	\$(102,100)	\$(101,963)	\$ 137
Net Change in Fund Balance	\$ 14,161	\$ 15,967	\$ 13,289	\$ 2,678
Fund Balance – Beginning	<u>45,782</u>	<u>45,782</u>	<u>45,782</u>	<u> </u>
FUND BALANCE – ENDING	\$ <u>59,943</u>	\$ <u>61,749</u>	\$ <u>59,071</u>	\$ <u>2,678</u>

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMPARATIVE BALANCE SHEET
GENERAL FUND
MARCH 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash & Cash Equivalents	\$129,208	\$157,347
Accounts Receivable – Trash Billings	10,420	11,797
Accounts Receivable – Personal Delinquents	22,011	13,443
Due from Other Funds	1,218	1,338
Prepaid Expenditures	<u>15,987</u>	<u>15,987</u>
TOTAL ASSETS	<u>\$162,857</u>	<u>\$199,912</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 91,604	\$ 82,172
Payroll Taxes Payable	2,823	
Accrued Interest Payable	4,350	5,029
Bonds Payable	25,000	25,000
Due to Other Funds	<u>136</u>	<u>136</u>
TOTAL LIABILITIES	\$123,913	\$112,337
Fund Balance	<u>38,944</u>	<u>87,575</u>
TOTAL FUND BALANCE	<u>\$ 38,944</u>	<u>\$ 87,575</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$162,857</u>	<u>\$199,912</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
GENERAL FUND
YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>			Actual (Over) Under
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:				
Current Tax Levy	\$505,952	\$501,009	\$474,474	\$ 26,535
Licenses & Permits	19,596	2,752	15,568	(12,816)
Intergovernmental-State	133,491	144,821	144,821	
Charges for Services	35,026	40,910	47,728	(6,818)
Fines & Forfeitures	1,786	1,713	1,993	(280)
Interest & Rents	1,261	2,087	10,672	(8,585)
Other Revenues & Reimb.	<u>31,947</u>	<u>12,741</u>	<u>2,718</u>	<u>10,023</u>
TOTAL REVENUES	<u>\$734,049</u>	<u>\$706,033</u>	<u>\$697,974</u>	<u>\$ 8,059</u>
EXPENDITURES:				
Legislative	\$ <u>10,118</u>	\$ <u>12,400</u>	\$ <u>12,614</u>	\$ <u>(214)</u>
General Government:				
Elections	\$	\$ 510	\$ 510	\$
General Administration	12,132	21,781	20,608	1,173
Salaries & Benefits	82,460	152,000	91,733	60,267
Legal & Professional	16,906	28,000	30,077	(2,077)
Insurance	17,780	22,000	25,286	(3,286)
Maintenance Supplies	<u>8,218</u>	<u>11,000</u>	<u>12,000</u>	<u>(1,000)</u>
TOTAL GENERAL GOV'T	<u>\$137,496</u>	<u>\$235,291</u>	<u>\$180,214</u>	<u>\$ 55,077</u>
Public Safety:				
Police-Contract Serv.	\$289,519	\$299,280	\$300,604	\$ (1,324)
Fire Hydrant Rent	2,367	2,500	2,716	(216)
Bldg. Inspection/Zoning	<u>34,301</u>	<u>1,500</u>	<u>14,558</u>	<u>(13,058)</u>
TOTAL PUBLIC SAFETY	<u>\$326,187</u>	<u>\$303,280</u>	<u>\$317,878</u>	<u>\$(14,598)</u>
Public Works:				
Dept. of Public Works	\$ 7,245	\$ 7,292	\$ 7,338	\$ (460)
Street Lights	50,958	55,000	58,226	(3,226)
Refuse Collection	<u>26,851</u>	<u>30,000</u>	<u>32,245</u>	<u>(2,245)</u>
TOTAL PUBLIC WORKS	<u>\$ 85,054</u>	<u>\$ 92,292</u>	<u>\$ 97,809</u>	<u>\$ (5,517)</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN
FUND BALANCE COMPARED TO BUDGET (CONTINUED)
GENERAL FUND
YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>			Actual (Over) Under <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES:				
Recreation & Cultural:				
Parks & Recreation	\$ <u>5,284</u>	\$ <u>1,400</u>	\$ <u>1,384</u>	\$ <u>16</u>
TOTAL PARKS & CULTURAL	\$ <u>5,284</u>	\$ <u>1,400</u>	\$ <u>1,384</u>	\$ <u>16</u>
Debt Service:				
Principal	\$ 25,000	\$ 25,000	\$ 25,000	\$
Interest	<u>9,468</u>	<u>11,255</u>	<u>10,576</u>	<u>679</u>
TOTAL DEBT SERV.	\$ <u>34,468</u>	\$ <u>36,255</u>	\$ <u>35,576</u>	\$ <u>679</u>
TOTAL EXPENDITURES	\$ <u>598,607</u>	\$ <u>680,918</u>	\$ <u>645,475</u>	\$ <u>35,443</u>
EXCESS (DEFIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>135,442</u>	\$ <u>25,115</u>	\$ <u>52,499</u>	\$ <u>(27,384)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 18,025	\$ 30,000	\$ 30,000	\$
Transfers Out	<u>(145,488)</u>	<u>(117,600)</u>	<u>(131,130)</u>	<u>(13,530)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>(127,463)</u>	\$ <u>(87,600)</u>	\$ <u>(101,130)</u>	\$ <u>(13,530)</u>
Net Change in Fund Balance	\$ 7,979	\$ (62,485)	\$ (48,631)	\$ (13,854)
Fund Balance – Beginning	<u>87,575</u>	<u>87,575</u>	<u>87,575</u>	<u> </u>
FUND BALANCE – ENDING	\$ <u>95,554</u>	\$ <u>25,090</u>	\$ <u>38,944</u>	\$ <u>(13,854)</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMPARATIVE BALANCE SHEET
MUNICIPAL STREET FUND
MARCH 31, 2007 AND 2006

ASSETS

Cash	\$52,636	\$41,618
A/R – Personal Property Tax	5,730	3,459
Due from Other Funds	<u>705</u>	<u>705</u>
	<u>\$59,071</u>	<u>\$45,782</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$59,071</u>	<u>\$45,782</u>
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VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET
MUNICIPAL STREET FUND
YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>			Actual (Over) Under <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Property Taxes	\$ 137,140	\$ 132,778	\$ 125,743	\$ 7,035
Interest	<u>21</u>	<u>289</u>	<u>4,302</u>	(4,013)
TOTAL REVENUES	\$ <u>137,161</u>	\$ <u>133,067</u>	\$ <u>130,045</u>	\$ <u>3,022</u>
EXPENDITURES:				
Ingham Co. Drain	\$ <u>20,000</u>	\$ <u>15,000</u>	\$ <u>14,793</u>	\$ <u>207</u>
TOTAL EXPENDITURES	\$ <u>20,000</u>	\$ <u>15,000</u>	\$ <u>14,793</u>	\$ <u>207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>117,161</u>	\$ <u>118,067</u>	\$ <u>115,252</u>	\$ <u>2,815</u>
OTHER FINANCING (USES):				
Transfers Out – Other Funds	\$ (60,000)	\$ (72,100)	\$ (72,100)	\$
Transfers Out – Component Unit	<u>(43,000)</u>	<u>(30,000)</u>	<u>(29,863)</u>	<u>137</u>
TOTAL OTHER FINANCING (USES)	\$(103,000)	\$(102,100)	\$(101,963)	\$ 137
Net Change in Fund Balance	\$ 14,161	\$ 15,967	\$ 13,289	\$ 2,678
Fund Balance – Beginning	<u>45,782</u>	<u>45,782</u>	<u>45,782</u>	<u> </u>
FUND BALANCE -- ENDING	\$ <u>59,943</u>	\$ <u>61,749</u>	\$ <u>59,071</u>	\$ <u>2,678</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2007

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>			<u>Other Gov't Funds</u>	
	Major Street	Local Street	Drain Fund	Sidewalk Fund	Webberville Building Authority	New Equipment Fund	Total Non-Major Gov't Funds	
ASSETS								
Cash & Cash Equivalents	\$207,297	\$26,531	\$ 96,450	\$ 88,282	\$ 7,001	\$41,609	\$467,170	
Taxes Receivable – Delinquents			2,167				2,167	
Accounts Receivable			11,093	24,681			35,774	
Due from Other Funds		<u>1,919</u>	<u>\$109,710</u>	<u>\$112,963</u>	<u>\$ 7,001</u>	<u>\$41,609</u>	<u>1,919</u>	
TOTAL ASSETS	<u>\$207,297</u>	<u>\$28,450</u>					<u>\$507,030</u>	
LIABILITIES AND FUND EQUITY								
LIABILITIES:								
Accounts Payable	\$ 342	\$ 272	\$ 569	\$	\$	\$	\$ 614	
Due to Other Funds	1,919						2,488	
Due to Taxpayers			<u>569</u>	<u>297</u>	<u>\$</u>	<u>\$</u>	<u>297</u>	
TOTAL LIABILITIES	<u>\$ 2,261</u>	<u>\$ 272</u>	<u>\$ 569</u>	<u>\$ 297</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,399</u>	
FUND BALANCE:								
Reserved	\$	\$	\$	\$	\$	\$	\$	
Unreserved	<u>205,036</u>	<u>28,178</u>	<u>109,141</u>	<u>112,666</u>	<u>7,001</u>	<u>41,609</u>	<u>503,631</u>	
TOTAL FUND EQUITY	<u>\$205,036</u>	<u>\$28,178</u>	<u>\$109,141</u>	<u>\$112,666</u>	<u>\$ 7,001</u>	<u>\$41,609</u>	<u>\$503,631</u>	
TOTAL LIABILITIES AND FUND EQUITY	<u>\$207,297</u>	<u>\$28,450</u>	<u>\$109,710</u>	<u>\$112,963</u>	<u>\$ 7,001</u>	<u>\$41,609</u>	<u>\$507,030</u>	

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2007

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>			<u>Other Gov't Funds</u>		
	<u>Major Street</u>	<u>Local Street</u>	<u>Drain Fund</u>	<u>Sidewalk Fund</u>	<u>Webberville Building Authority</u>	<u>New Equipment Fund</u>	<u>Non-Major Gov't Funds</u>		
REVENUES:									
Taxes & Special Assessments	\$	\$	\$ 46,707	\$ 7,974	\$	\$	\$ 54,681		
State Highway Funds	65,746	22,445					88,191		
Interest	8,434	2,002	5,556	2,305	14	1,729	20,040		
Metro Act Funds	<u>2,554</u>	<u>1,927</u>					<u>4,481</u>		
TOTAL REVENUES	\$ 76,734	\$ 26,374	\$ 52,263	\$ 10,279	\$ 14	\$ 1,729	\$ 167,393		
EXPENDITURES:									
DPW/Admin. Wages	\$ 24,028	\$ 18,740	\$	\$	\$	\$	\$ 42,768		
Equipment Rentals	5,996	2,267					8,263		
Supplies	3,153	3,152					6,305		
Road Maintenance	1,678	62,193					63,871		
Striping	1,124						1,124		
Tree Trimming	1,038	1,654					2,692		
Traffic Lights	795						795		
Other Expense	210	172					734		
Professional Fees	4,553	13,443	4,000				21,986		
Drains		2,470	42,394				44,864		
Equipment Purchases						24,148	24,148		
TOTAL EXPENDITURES	\$ 42,575	\$ 104,081	\$ 46,394	\$ 352	\$	\$ 24,148	\$ 217,550		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 34,159	\$ (77,707)	\$ 5,869	\$ 9,927	\$ 14	\$ (22,419)	\$ (50,157)		

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2007

	<u>Special Revenue Funds</u>			<u>Capital Project Funds</u>			<u>Other Gov't Funds</u>	<u>Total Non-Major Gov't Funds</u>
	<u>Major Street</u>	<u>Local Street</u>	<u>Drain Fund</u>	<u>Sidewalk Fund</u>	<u>Building Authority</u>	<u>Equipment Fund</u>		
Operating Transfers In	\$ 5,150	\$ 36,050	\$	\$ 30,900	\$	\$ 22,682		\$ 94,782
Operating Transfers (Out)	<u>(5,600)</u>	<u>(5,600)</u>						<u>(11,200)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>(450)</u>	\$ <u>30,450</u>	\$	\$ <u>30,900</u>	\$	\$ <u>22,682</u>		\$ <u>83,582</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 33,709	\$ (47,257)	\$ 5,869	\$ 40,827	\$ 14	\$ 263		\$ 33,425
Fund Balance – April 1, 2006	<u>171,327</u>	<u>75,435</u>	<u>103,272</u>	<u>71,839</u>	<u>6,987</u>	<u>41,346</u>		<u>470,206</u>
FUND BALANCE – MARCH 31, 2007	\$ <u>205,036</u>	\$ <u>28,178</u>	\$ <u>109,141</u>	\$ <u>112,666</u>	\$ <u>7,001</u>	\$ <u>41,609</u>		\$ <u>503,631</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
MARCH 31, 2007

(WITH COMPARATIVE TOTALS AT MARCH 31, 2007)

	<u>Agency Funds</u>			
	<u>Tax Collection</u>	<u>Imprest Payroll</u>	<u>Water & Sewer Distribution</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	\$ <u>1,092</u>	\$ <u>6,872</u>	\$ <u>1,364</u>	\$ <u>9,328</u>
TOTAL ASSETS	\$ <u>1,092</u>	\$ <u>6,872</u>	\$ <u>1,364</u>	\$ <u>9,328</u>
LIABILITIES:				
Retirement Payable	\$	\$2,630	\$	\$2,630
Due to Other funds	1,092	126	1,364	2,582
Due to Other Gov't Units		4,116		4,116
TOTAL LIABILITIES	\$ <u>1,092</u>	\$ <u>6,872</u>	\$ <u>1,364</u>	\$ <u>9,328</u>

VILLAGE OF WEBBERVILLE
COMPONENT UNIT FUND
BALANCE SHEET – DOWNTOWN DEVELOPMENT AUTHORITY
MARCH 31, 2007

ASSETS:	
Cash – Checking	\$167,963
Cash – Savings	114,749
Due from other Government Units	<u>360,831</u>
TOTAL ASSETS	<u>\$643,543</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$79,003
Accrued Interest Payable	<u>13,737</u>
TOTAL LIABILITIES	\$92,740

Fund Balance	<u>550,803</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$643,543</u>
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VILLAGE OF WEBBERVILLE
COMPONENT UNIT FUND
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT
OF NET ASSETS – DOWNTOWN DEVELOPMENT AUTHORITY
MARCH 31, 2007

Fund Balance – Governmental Fund	\$550,803
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Amounts reported for the governmental activities in the statement of net assets are different because:

Capital assets (land) used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	757,926
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Certain liabilities such as notes payable are not due and payable within the current period and therefore not reported in these funds	<u>425,123</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$883,606</u>
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VILLAGE OF WEBBERVILLE
 COMPONENT UNIT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 DOWNTOWN DEVELOPMENT AUTHORITY
 MARCH 31, 2007

REVENUES:	
Interest	\$ 18,354
Other	<u>225,155</u>
TOTAL REVENUES	\$ <u>243,509</u>
EXPENDITURES:	
Fascade Grant	\$ 6,899
Mowing	960
Adv. & Promo.	236
Audit	900
Contracted Serv.	9,529
Legal	9,499
Office Expense	886
Engineering	6,794
Recording Salary	450
Long-Term Debt	59,722
Interest Expense	34,032
Drains	224,058
Lions Gazebo Project	4,000
Street Lights	<u>9,197</u>
TOTAL EXPENDITURES	\$ 367,162
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(123,653)
OTHER FINANCING SOURCES (USES):	
Transfers from Primary Gov't.	\$ 179,270
Transfers to Primary Gov't	<u>(137,043)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ 42,227
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND TRANSFERS	\$ (81,426)
Fund Balance at April 1,	<u>632,229</u>
FUND BALANCE AT MARCH 31,	\$ <u>550,803</u>

VILLAGE OF WEBBERVILLE
COMPONENT UNIT FUND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED MARCH 31, 2007

Net Change in Fund Balance	\$(81,426)
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Amounts reported for governmental activities in the statement of activities are different because:

Loans to outside entities related to contracts receivable and subsequent Collections of contracts receivable is reported as expenditures and revenues in governmental funds, but the subsequent collections reduces contracts receivable and the loans increase contracts receivable in the statement of net assets.

In the current year, these amounts consist of:

Contracts receivable – principal collections	<u>59,722</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$(21,704)</u>
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of City Council
Village of Webberville

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Webberville, Michigan, as of and for the year ended March 31, 2007, which collectively comprise the Village of Webberville, Michigan's basic financial statements and have issued our report thereon dated November 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village of Webberville, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Webberville, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Webberville, Michigan's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Village of Webberville, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village of Webberville, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the Village of Webberville, Michigan's internal control.

Internal Control over Financial Reporting (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Webberville, Michigan's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other Matters

As part of obtaining reasonable assurance about whether Village of Webberville, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Village of Webberville, Michigan, in a separate letter dated November 30, 2007.

This report is intended solely for the information and use of the Village of Webberville, Michigan's management, Village Council, and applicable federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Demis and Wenzlick, P.C.

Demis and Wenzlick, P.C.

Owosso, Michigan
November 30, 2007



DEMIS and WENZLICK, P.C.

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COMMENTS AND RECOMMENDATIONS

November 30, 2007

To the Honorable President
and Village Council
Village of Webberville, Michigan

In compliance with the provisions of Section 11 of Act 2, P.A. of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Village of Webberville for the year ended March 31, 2007.

In planning and performing our audit of the financial statements of the Village of Webberville and for the year ended March 31, 2007, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. As a result of our examination of the Village's financial statements, we noted certain matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable conditions.

BUDGET

The State Revenue Sharing Distribution Law, P.A. 176 of 1980, includes a compliance requirement in budgeting. It is important under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31. Budgeted expenditures cannot exceed budgeted revenues plus the beginning fund balance. During our audit we noticed several expenditures exceeded budgeted amounts. Care should be taken that expenditures do not exceed the budget.

CASH ACCOUNTS

An important internal control over cash is the timely recording of receipts. We noted several instances where deposits were recorded in the general ledger in one period and appear to be deposited in another. Deposits should be made daily.

We noted instances where transfers between funds were recorded but never made.

We noted instances where transfers between funds included in joint cash account were in excess of the respective funds actual cash balance.

BANK RECONCILIATION

All cash accounts should be reconciled to their respective bank statements monthly. An authorized individual not responsible for the actual physical handling of the cash should reconcile bank statements to the general ledger when possible. Bank statements and reconciliations must be retained for audit purposes.

We recommend bank account reconciliations be reviewed and approved by a Council Member on a monthly basis.

GENERAL LEDGER

The general ledger contains all the accounts supporting the financial data of the Village.

We noted instances where transactions occurring during the period under audit were not recorded, or were not recorded properly in the general ledger. The general ledger had to be re-run several times to include the missing transactions.

We recommend all transactions occurring a period be properly recorded in the general ledger on a timely basis.

We would like to thank the staff of the Village and Village Council for the excellent cooperation we received for this year's audit. Our firm would be most happy to assist you in any way toward implementing the above recommendations, or any other matter the board may wish to review with us.

Very truly yours,

Dennis and Wengfist, P.C.

Certified Public Accountants